



Budget Planning for 2011-2012

Posted by **Pierluigi Oliverio** on Monday, November 22, 2010

Last Thursday, the council had a study session for San Jose's 2010-2011 budget. The public meeting received little media attention. Perhaps, since the holidays are near, we only want to hear the good news...and next years budget is far from good. There is no dispute on the data—just the direction we shall choose to balance the budget.

Here is a link to the 88 page presentation given to Council by the budget office. (Click on "2011-12 Organizational & Budget Planning" to view the presentation.)

The Council was challenged by the grim financial data and gave direction to continue with the 10 percent total compensation cuts that was requested last year. This is not an additional 10 percent but rather a request to keep the current 10 percent concession that was already agreed to by some of the labor unions. The 10 percent concession that several of the unions agreed to last year were "one time only," meaning only for this fiscal year (2010-2011) and not ongoing. The three largest unions did not accept the 10 percent reduction last year and one actually got a raise.

If the Council chose not to ask for 10 percent pay cuts and spare public safety we would layoff two of every five non-sworn positions. So two out of five librarians, attorneys, IT staff, finance, auditors, code enforcement, planning department, public works, department of transportation, economic development, community center staff, etc....This would result in 81 percent of the budget allocated to public safety. If however 10 percent total compensation cuts were achieved then 72 percent of the budget would be allocated to public safety. (Slide 32)

Outsourcing is back on the table as a way to reduce costs and keep other city departments from having more layoffs. Last year we outsourced janitorial services which resulted in a \$4 million savings and the facilities are just as clean.

I made several statements from the dais that included:

- not converting employment land to housing
- eliminating discretionary funding of charities with Healthy Neighborhood Venture Funds
- not raising fees so we become uncompetitive with our neighboring cities,
- keep the jobs/revenue team in place for companies locating to San Jose,
- Council should be limited to how many memos (flavor of the day) for new policies they can submit in a year
- rank current staff workload on what is most important (selling Hayes mansion and getting out of golf business)
- allow for union negotiations to be done in public
- instead of closing fire stations or laying off police officers reduce staffing at the slower fire stations to the same staffing levels as our neighboring cities
- finalize a new retirement system for new employees
- new facilities not be opened with full staffing
- outsourcing park maintenance or look at outsourcing by attrition where we hire private contractors as people retire
- look at new revenues once Council makes the hard decisions
- over time look at taxes that have positive environmental results and not only focused on property owners like parcel taxes instead look at solid waste dumping fee and the utility tax (water, electricity & gas)

We are suffering from severe financial duress; however, we do have options, as I have shared above. Perseverance and goodwill are not dependent on budget numbers, therefore "this too shall pass."

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